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Strengthening of the United Nations system

Strengthening of the United Nations: an agenda for further change

Improvements to the current process of planning and budgeting

Report of the Secretary-General

Summary

The present report has been prepared in compliance with paragraph 32 of General Assembly resolution 57/300, by which the Assembly took note of the proposal of the Secretary-General, contained in action 21 of his report entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387 and Corr.1), for a shorter, more strategic medium-term plan that is linked to the budget outline, and requested him to submit a more detailed proposal to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, for consideration at its fifty-eighth session.

The Secretary-General proposes a strategic framework to be considered biennially, consisting of two parts: an improved and renamed medium-term plan and an interlinked and expanded budget outline to ensure a strategic connection between programmes and resource allocation. The Secretary-General also proposes the enhancement of the role of the Committee for Programme and Coordination with respect to monitoring programme performance and evaluation.

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I. Introduction

1. The General Assembly, in its resolution 57/300, took note of the proposal of the Secretary-General, contained in action 21 of his report (A/57/387 and Corr.1) for a shorter, more strategic medium-term plan that is linked to the budget outline and requested him to submit a more detailed proposal to the Assembly, through the Advisory Committee on Administrative and Budgetary Questions, for consideration at its fifty-eighth session.

2. The present report is submitted in compliance with that request and expands on the responses to issues raised and supplementary information contained in document A/57/CRP.3 concerning actions 21 and 22 of the aforementioned report of the Secretary-General. It should be read in conjunction with the report of the Secretary-General entitled "Intergovernmental review of the medium-term plan and the programme budget" (A/57/786).

II. Medium-term plan

3. The medium-term plan is a translation of legislative mandates into programmes and subprogrammes. Its objectives and strategies are derived from policy orientations and goals set by the intergovernmental organs. It reflects Member States' priorities, as set out in legislation adopted by functional and regional intergovernmental bodies within their spheres of competence and by the General Assembly, on advice from the Committee for Programme and Coordination. The medium-term plan covers a four-year period and serves as the framework for the formulation of biennial programme budgets within the period covered by the plan. It is partially revised, as necessary, every two years to incorporate required programme changes. The priorities, as determined by the General Assembly, established in the medium-term plan guide the allocation of resources in the subsequent programme budgets.

4. There are some 100 permanent intergovernmental bodies at Headquarters and at other duty stations, which provide overall direction for the programmes that fall within their respective field of competence. There is therefore a substantial amount of oversight by Member States in formulating and defining the programme of work of the Organization at the sectoral level. However, at the policy level, in terms of overall direction of the Organization, strategic planning and resource allocation, there is little comprehensive and coordinated guidance.

5. While the Charter of the United Nations sets out clearly the principles and goals of the Organization, they are presented at the highest level of generality (e.g. "to maintain international peace and security", "to achieve international cooperation in solving international problems of an economic, social, cultural, or humanitarian character"). The medium-term plan is expected to cover shorter-term horizons, currently four years.

6. The medium-term plan was originally intended to be a forward-looking document that set the stage for work to be carried out by the Organization on the basis of legislative mandates. The planning process was to assure Member States that the work of the Organization would be conducted in a manner that had been approved and would be in compliance with the legislative intent. It would also

provide a more orderly, systematic and efficient design of programmes in the United Nations.

7. However, some Member States have criticized the medium-term plan for being backward-looking since it is formulated on the basis of agreements that had already been concluded and is therefore insufficiently dynamic to address emerging trends and new challenges. It is viewed as a means of control and constraint, not as a vehicle for new ideas and new approaches. To those critics the medium-term plan is not a useful instrument since it is not a strategic document, but rather one that emphasizes activities instead of objectives and expected results.

8. The point has also been made that the process involved in approving the medium-term plan is an important one for Member States to coordinate and reconcile potential inconsistencies between central and decentralized mandates as well as to express a shared commitment to the work of the Organization as a whole. The existence of a medium-term plan provides a measure of assurance that actions to address new challenges would not be taken at the expense of actions that continue to be necessary to deal with persistent problems, particularly in the context of limited resources.

9. Other shortcomings of the current system of programme planning, budgeting, monitoring and evaluation cited include: (a) little priority is given to formulation of the plan by programme managers or by many Member States; (b) expected accomplishments are not precise enough to be used as standards against which to measure the impact of United Nations programmes; (c) duplication exists between the text of the plan and the programme budget; (d) much more time is spent on reviewing plans and budgets than on implementation and evaluation.

10. There have been many attempts over the years to improve the format and content of the medium-term plan. The current medium-term plan for the period 2002-2005, as revised,[1] reflects the application of a logical framework that is currently used for results-based budgeting, namely the categorization of objectives, expected accomplishments (also referred to herein as "expected results") and indicators of achievement. In formulating the plan, programme managers were required to focus on the raison d'être of their programmes, not just on what they were required to deliver.

11. The medium-term plan therefore should be an instrument of policy, not a listing of activities. There is a distinction between (a) general mandates that provide the overall orientation of programmes and subprogrammes and (b) specific mandates that require the Secretary-General to undertake a particular activity or to deliver a specific output. That distinction is an important one for the preparation of a medium-term plan, which should be a translation of general legislative mandates.

12. The improvements in the presentation of the current medium-term plan for the period 2002-2005 were made in an effort to overcome current deficiencies in the programme planning cycle by distinguishing true objectives from activities and to facilitate discussion by Member States on the overall direction of programmes at the policy level, rather than on detailed activities of each department at the implementation level.

13. The discussions of the Committee for Programme and Coordination and of the Fifth Committee have tended to focus more on the details of each and every subprogramme, which had to a large extent already been reviewed by specialized

intergovernmental bodies, rather than on policy or coordination issues. Instead of assessing results or providing overall direction and guidance on programme changes, continuing validity of legislative decisions, issues of duplication, coherence, compatibility and complementarity, as required by the terms of reference of the Committee for Programme and Coordination, the review of the medium-term plans has consisted mainly in making editorial changes which had no significant impact on the overall direction and balance of the Organization's programmes.

14. Another issue associated with the medium-term plan is the difficulty with identifying priorities. Priorities, according to the Regulations and Rules Governing Programme Planning, should be based on the importance of the objective to Member States, the Organization's capacity to achieve that objective and the real effectiveness and usefulness of the results. Member States have been reluctant to decide on priorities, given the fact that some objectives are important to some Member States and other objectives are important to other Member States. That has usually resulted in priorities being designated for a wide range of issues covering almost every programme. Furthermore, there was no demonstrated linkage between such designations and the allocation of resources.

15. The current four-year medium-term plan reflects programme objectives derived from legislative mandates and expected accomplishments proposed by the Secretariat for implementation any time within a four-year period. A two-year planning period would provide a better focus for accountability as to expected accomplishments. While long and medium-term objectives of the Organization to fulfil legislative mandates would continue to be reflected under the "objectives" heading of each subprogramme, the expected accomplishments would be strictly limited to results which could be achieved by the Secretariat within a two-year plan period. Therefore, a shorter plan period would ensure that the mandates reflected would be more up-to-date and would reduce the time between the initial preparation of the plan to the end of the plan period by two years, thereby enhancing accountability of programme managers.

16. With respect to timing in terms of the medium-term plan being considered at the same time as the budget outline, both documents are considered in the same year, but currently they are considered separately. The proposal for the plan and the outline to cover the same period and be considered concurrently by the General Assembly is intended to ensure that decisions on the level of resources are taken on the basis of a clear linkage between programmatic needs and related resource provisions.

17. A biennial programme plan combined with the budget outline would better link decisions taken with respect to overall direction of programmes and those taken with respect to the level of resources.

18. The replacement of the present four-year medium-term plan by a biennial programme plan which would constitute part one of the strategic framework would call for it to be renamed as "Strategic framework for the biennium 20xx-20xx: Part One, Biennial Programme Plan". The strategic framework would be presented in such a way that the programmes can be clearly related to the "parts" of the outline and the programme budget.

19. Each programme of the strategic framework would continue to be reviewed by specialized intergovernmental bodies, where feasible and appropriate, and by the

Committee for Programme and Coordination. The consolidated strategic framework, together with the recommendations of the Committee for Programme and Coordination on Part One, would also include a second part — the budget outline — for consideration by the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee.

III. Budget outline

20. The budget outline, as defined by the General Assembly in its resolution 41/213, provides Member States with preliminary estimates for the Secretary-General's proposed biennial programme budget, the intention being that Member States agree on the overall level of resources for the budget before the programme budget is prepared.

21. The budget outline consists of one overall amount presented to the Assembly for review and action. In the annex to the outline, preliminary indicative estimates by parts of the budget are provided for information. The budget outline describes proposed technical additions to resource requirements (such as full costing of new posts approved for the previous biennium), elimination of one-time costs no longer required, and additional resource requirements resulting from programme changes in response to new legislative mandates. The outline also includes proposals for priorities, information on real growth compared with the previous budget and proposals for the size of the contingency fund.

22. The budget outline is considered by the Committee for Programme and Coordination, the Advisory Committee on Administrative and Budgetary Questions and the General Assembly. Such reviews have added little value in terms of providing strategic direction for the allocation of resources. Although the medium-term plan and its revisions are also considered in the off-budget year, they have not been subject to integrated review with the outline.

23. To ensure that the allocation of resources for the regular budget is better linked to programme changes, it is proposed that the budget outline be expanded to include additional information on key programmatic changes, as well as additional information on changes in resource requirements to reflect those programmatic changes. Such additional information would provide Member States with a clearer picture of what would change for each part of the budget, with respect to both programme and resource requirements. Decision-making, therefore, would be facilitated. The outline would become Part Two of the strategic framework.

IV. Programme budget

24. With the introduction of the strategic framework, as proposed above, the programmatic aspects of the subsequent budget would be identical to those reflected in Part One of the strategic framework. Intergovernmental bodies, including the Committee for Programme and Coordination, would no longer be required to review again the programmatic aspects of the proposed programme budget, reaffirming the earlier proposal of the Secretary-General that consideration of the programme budget be carried out by the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee.

25. Consistent with the need to focus on expected results rather than on outputs, the format of the programme budget would be further modified. Summary tabulations of outputs at the level of each subprogramme would be provided. That responds to concerns of the Advisory Committee about the current presentation of output information. The detailed cataloguing of individual outputs would no longer feature in the main part of each budget fascicle and would be provided, together with the details of resource requirements, as supplementary information for the Advisory Committee. That modification would facilitate consideration by Member States of overall policy direction for each programme and key issues of strategic importance. Member States would continue to receive the guidance of the Advisory Committee.

V. Monitoring and evaluation

26. In compliance with the Regulations and Rules Governing Programme Planning, at the close of each biennium the Secretary-General is required to monitor accomplishments, as measured by the delivery of outputs scheduled in the approved programme budget. In-depth evaluations and self-evaluations are also required to be undertaken to determine the relevance, efficiency, effectiveness and impact of the Organization's activities in relation to their objectives. The Office of Internal Oversight Services has overall responsibility for the monitoring and evaluation functions of the Secretariat.

27. A significant amount of time is spent by the Secretariat and intergovernmental bodies reviewing the plan and budget prior to their adoption. Disproportionately, hardly any time is devoted to the assessment of the results achieved at the end of the budget or plan period. Furthermore, the existing systems for reporting and evaluating the performance of programmes are not always used to facilitate the reformulation of programmes or influence the introduction of new programmes.

28. The lack of impact of current evaluation studies is partly due to insufficient coverage. In the case of the in-depth evaluations, only one or two programmes, are covered each year. While performance reporting covers all programmes it only recently moved into providing systematic qualitative assessments. In addition, most evaluation studies submitted to the Committee for Programme and Coordination address mainly *implementation* issues.

29. The Committee has repetitively recommended that evaluation reports be submitted to the intergovernmental or expert organs directly concerned with each programme. That is a valid recommendation which could be the first step in achieving the desired impact of redefining the substantive content of programmes, where appropriate. Further steps, however, may be necessary, as deliberations in the specialized intergovernmental bodies tend to focus on substantive issues to the exclusion of the role of the Secretariat in terms of its programme of work designed to address those issues. In terms of monitoring and evaluating the work of the Secretariat, the role of specialized intergovernmental bodies has been minimal.

30. Only in a few cases have specialized intergovernmental bodies established subcommittees to deliberate on the work of the Secretariat. As a result, the monitoring and evaluation functions have fallen almost entirely on the shoulders of the Committee for Programme and Coordination. Once again, however, the time devoted to examining the results achieved or the impact of United Nations

programmes is minimal, particularly when compared with the lengthy process of preparing and reviewing proposed plans and budgets. In his report on intergovernmental review of the medium-term plan and the programme budget (A/57/786), the Secretary-General foresees an enhanced role for the Committee for Programme and Coordination in monitoring and evaluating the Organization's work.

31. Another matter of concern is the apparent reluctance of some Member States to permit evaluations to address "relevance" and "impact", in spite of the requirements of the Regulations and Rules Governing Programme Planning. At its fifty-fifth session, the Committee for Programme and Coordination deleted those specific words from the medium-term plan for the period 2002-2005 for the programme on internal oversight. While it is clear that Member States are the final arbiters of relevance of the work of the Organization, it would seem logical and important for them to review periodically whether activities undertaken adequately respond to legislative mandates. That is certainly consistent with the results-based budgeting approach, endorsed by the General Assembly in 2000.

32. With respect to the question of "impact" of the Organization's programmes, the objectives, expected accomplishments and indicators of achievement articulated in the medium-term plan for the period 2002-2005 and in the related biennial programme budgets have been formulated to address not only the quality or efficiency of the work of the Secretariat, but also the effectiveness and impact of the work in terms of benefits or positive changes in conditions of their intended beneficiaries. Such assessments are essentially a measure of the degree to which the Organization has managed to achieve its collective goals, working in partnership with Member States.

33. A number of improvements are already under way. The introduction of results-based budgeting has provided programme managers with an additional tool for anticipating their future planning, programmatic and resource requirements. Results-based budgeting has required the use of the logical framework for articulating objectives, expected accomplishments and indicators of achievement prior to implementation and has required programme managers to track their indicators. Self-monitoring and self-evaluation techniques and systems are, in the course of a biennium, indispensable for measuring progress towards expected results and for anticipating and preparing future work.

34. As a consequence of the implementation of results-based budgeting, a revamped biennial programme performance report for the 2002-2003 reporting period is being proposed. The new format report will provide Member States more information on the attainment of expected results, rather than just a quantitative listing of outputs delivered, as has been the case in the past. In addition, more emphasis is being given to the evaluation by programme managers. The self-evaluation exercises will identify what has worked and what has not. The results will be used as an input for the preparation of future work plans. The Office of Internal Oversight Services is responsible for self-evaluation quality standards and methodology and will ensure that self-evaluations and statements of results prepared by programme managers are credible and useful. A more systematic use of self-evaluation findings in performance reporting will provide a level of consistent coverage that cannot be obtained through in-depth evaluations and other formal evaluations.

35. Formal evaluations, however, are necessary for the comprehensive review of programmes, functions or activities implemented in different parts of the Secretariat, at strategic moments in the evolution of those programmes or to respond to current intergovernmental concerns. In other organizations, the schedule of evaluations includes different formats of evaluation to satisfy different purposes.

36. The Secretary-General has made proposals to introduce the addition of thematic evaluations in the schedule of evaluation approved by the Committee for Programme and Coordination. Those evaluations will review activities related to a single theme, but which are implemented in different parts of the Secretariat. Improving the communication of findings that are presented in the evaluations reports by using specific summaries or developing points of interest for a specific audience, would also contribute to greater utilization of evaluation results by the Secretariat and intergovernmental bodies. Improving the practice of self-evaluation by programme managers as well as ensuring better utilization of evaluation findings will require efforts that cannot be sustained without the allocation of earmarked resources, an approach which is currently limited to a few programmes only.

37. The timeliness of reporting the results of programme monitoring and evaluation needs is critical to strengthening the overall planning and budgeting cycle. The programme performance report covers a biennial period and, obviously, needs to be prepared when the period has ended. However, that is also a time when plans and budgets for the new period have already been adopted. The timing of the report reduces its usefulness. Solutions, such as preparing a mid-term review or a progress report, must be explored. The schedule and agenda of intergovernmental discussions could also be revised. Regarding evaluations, their schedule of delivery is much more flexible and decisions on their schedule should take into account the needs of stakeholders for feedback on the performance of the Secretariat and the time when they can make the best use of that feedback.

VI. Role of the Committee for Programme and Coordination

38. The matters addressed above have an impact on the future role of the Committee for Programme and Coordination. The Secretary-General, in his report on intergovernmental review of the medium-term plan and the programme budget (A/57/786), recommended that the General Assembly review the functions of the Committee for Programme and Coordination with a view to enhancing its effectiveness in the areas of monitoring and evaluation. As mentioned above, the Committee for Programme and Coordination has not always adhered fully to its terms of reference.

39. Upon further reflection and in the light of the above recommendations on the medium-term plan and the budget outline, it is proposed that review of the medium-term plan (to be renamed the "biennial programme plan"), to be contained in the first part of the strategic framework, remain the responsibility of the Committee for Programme and Coordination. The review of the budget outline (the second part of the strategic framework) and programme budgets would be undertaken by the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee. Such an arrangement would eliminate the duplicative review by the Committee for Programme and Coordination of the objectives, expected accomplishments and indicators of achievement which currently takes place as a

result of its consecutive review of the medium-term plan and the subsequent proposed programme budget.

VII. Conclusions

40. The Secretary-General is committed to facilitating intergovernmental debate in order to ensure that he receives proper guidance on the future direction of the Organization and on the allocation of resources. The focus of Member States should be on policy issues. It should not be on whether or not individual outputs are delivered, but rather on whether or not expected results occurred in order to meet objectives. It should not be on whether there is an increase of $15,000 for furniture and equipment for a particular programme, but rather on whether resources for that programme are adequate for attaining its expected results. By producing a strategic framework, which combines the present medium-term plan and the budget outline, Member States would be enabled to make a strategic connection between the plan and resource allocation and to provide guidance to the Secretary-General accordingly.

41. Member States, in the Millennium Declaration, have reaffirmed their commitment to the purposes and principles of the Charter of the United Nations and have resolved to take action with respect to matters of peace, security and disarmament; development and poverty eradication; protection of our common environment; human rights, democracy and good governance; protection of the vulnerable; meeting the special needs of Africa; as well as strengthening the United Nations.

42. To that end, the Secretary-General is committed to ensuring that the Organization becomes fully results-oriented. It is not enough to be efficient. Nor is it enough to reorganize or restructure, to improve or to comply. Member States need to be informed not only on issues of programme and organizational improvement, oversight and compliance, but also on the merit and worth of programmes. The work of the Organization must also be effective and its programmes must continue to be instruments for positive change for the intended beneficiaries, thereby reflecting the real intent of legislative mandates. It is therefore important to ensure that the programmes of the Organization are all geared towards making that contribution and achieving their objectives. It is also important to ensure that the work of the Organization is financed adequately in order to carry out the directives of Member States in an efficient as well as effective manner.

43. **It is recommended that the General Assembly approve the following features of an improved planning and budgeting system:**

(a) **A medium-term plan that would cover a two-year period, to be renamed "part one, biennial programme plan" and combined with "part two, budget outline", so as to constitute a "strategic framework" for the Organization;**

(b) **An expansion of the detail contained in the budget outline, including additional information on programmatic and resource changes;**

(c) **Further improvement to the format and content of the proposed programme budget to facilitate decision-making at the policy level;**

(d) A revision of the role of the Committee for Programme and Coordination, one that would encompass the review of "part one, biennial programme plan" but exclude review of "part two, budget outline" of the strategic framework of the proposed programme budget;

(e) A modified biennial programme performance report which would focus on the achievement of expected results;

(f) Improved format and timing of evaluation reports;

(g) Identification of resources for monitoring and evaluation activities in all sections of the budget;

(h) Strengthening of the monitoring and evaluation functions of the Committee for Programme and Coordination in order to determine the continuing relevance, efficiency, effectiveness and impact of the work of the Organization.

Notes

[1] *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 6* (A/57/6/Rev.1).